

223215

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August 11, 2008

Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: Docket No. AB-55 (Sub-No. 682X), *CSX Transportation, Inc.* –
Abandonment Exemption—in Greenbrier and Fayette Counties, WV

Dear Acting Secretary Quinlan:

Enclosed for filing is a copy of the information provided to Seaside Holdings, Inc., pursuant to the decision served in the above-entitled proceeding on April 18, 2008, which begins the 10-day period for Seaside to file an offer of financial assistance.

Thank you for your assistance. If you have any questions please call or email me.

Sincerely yours,



Louis E. Gitomer
Attorney for CSX Transportation, Inc.

Enclosures

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August 11, 2008

Fritz R. Kahn, Esq.
Fritz R. Kahn, P.C.
1920 N Street, N.W.
Eighth Floor
Washington, D.C. 20036

RE: Docket No. AB-55 (Sub-No. 682X), *CSX Transportation, Inc. –
Abandonment Exemption in Greenbrier and Fayette Counties, WV*

Dear Fritz

Attached are the real estate appraisal and track and materials valuation for CSX Transportation, Inc.'s 16.7-mile rail line on its Southern Region, Huntington-East Division, Sewell Subdivision between near Rainelle, milepost CAF 27, and near Nallen, Milepost CAF 43.7, in Greenbrier and Fayette Counties, WV (the "Line").

CSX calculates the net liquidation value of the Line to be \$2,429,681, consisting of land valued at \$66,000, and track and materials valued at \$2,363,681. CSX is providing this information for Seaside Holdings, Inc. to use in preparing an offer of financial assistance to acquire the Line for continued rail purposes.

Pursuant to the decision of the Surface Transportation Board served in this proceeding on April 18, 2008, an offer of financial must be filed by August 21, 2008.

Thank you for your assistance. If you have any questions please call or email me.

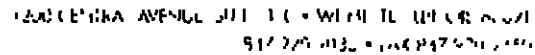
Sincerely yours



Louis E. Gitomer
Attorney for CSX Transportation, Inc.

Enclosures

EXHIBIT I-REAL ESTATE APPRAISAL



US 130
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U.S. DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

July 11, 2008

Brad T. Beckworth, MAI
Manager, Valuation
CSX Real Property
301 West Bay Street, Suite 800
Jacksonville, Florida 32202

Re: Net liquidation value estimate of a portion of the Sewell Valley Subdivision from
Mileposts CAF 27.0 to CAF 43.7 in Greenbrier and Fayette Counties, West Virginia

Dear Mr. Beckworth:

At your request, I have prepared an estimate of the net liquidation value (NLV) of a portion of the rail line referenced above. The date of valuation is June 27, 2008. This is a limited scope appraisal communicated in a 38-page summary report.

SCOPE OF WORK

The subject property was *not* physically inspected. Aerial photography of the subject property was viewed on June 24, 2008 (the date of the photography is unknown). Across-the-fence (ATF) land uses were classified at that time based on analysis of ortho-rectified aerial photography and by various local government land use overlay GIS files. Changes in land use were plotted in ArcGIS. Corridor areas were calculated using ArcGIS from georeferenced railroad Valuation Maps. ATF land use lines were then plotted in ArcGIS where segment sizes were calculated.

An on-line search for sales in Greenbrier and Fayette Counties, comparable to the ATF land uses, was undertaken, utilizing public records. Each sale was plotted in ArcGIS and viewed using the aerial photography. The comparable sales were *not* inspected.

The sales were analyzed and compared to each other and the subject ATF land uses in order to estimate the ATF values for each segment along the line. Since this is an NLV estimate, ATF value estimates were applied only to those portions of the segments owned in fee. The title was mapped using a title study provided by CSX on each railroad Val Map.

Brad T. Beckworth, MAI
July 11, 2008
Page 3

The NLV was then estimated based on the expected time it would take to disassemble and sell the fee parcels, taking into consideration holding costs, cost of sales, and risk or yield rate, required by an investor to undertake the selling of the dissembled parcels.

This appraisal does *not* include the valuation of any improvements, nor does it consider the cost of land clearing or grading.

This appraisal is of limited scope since neither the subject property nor the sales were inspected.

As requested, this appraisal is reported in a summary report format, therefore, the descriptions of the subject property and valuation analysis are summarized in compliance with USPAP Standards Rule 2-2 (b).

PURPOSE AND INTENDED USE

The purpose of this valuation is to provide an NLV estimate for purposes of offer-of-financial-assistance (OFA) negotiations. It is anticipated that the users of this report are CSX personnel as well as the prospective purchaser. It is not intended for this report to be filed or submitted to the Surface Transportation Board (STB).

DEFINITION OF NET LIQUIDATION VALUE

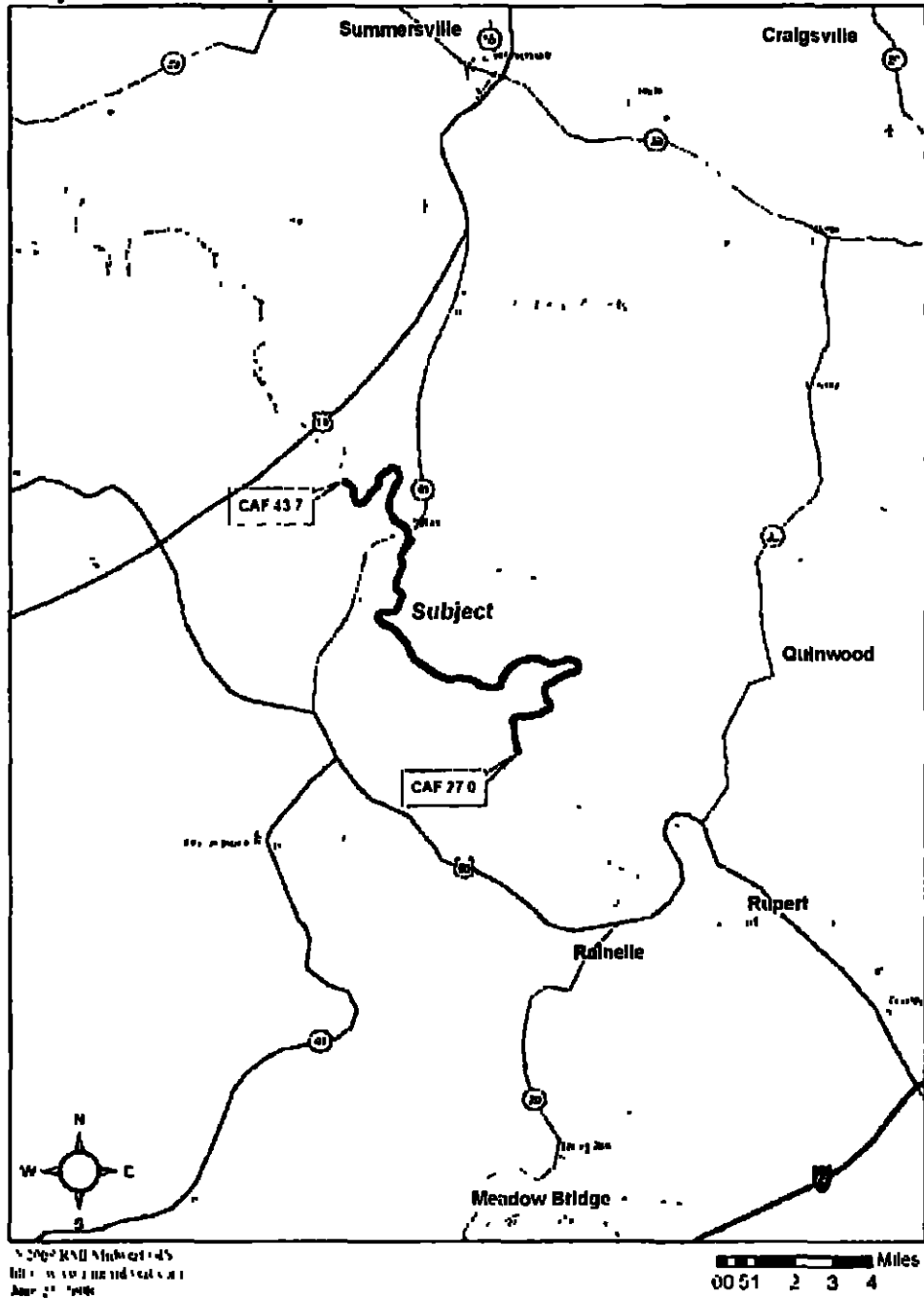
Net liquidation value shall be determined by computing the current appraised market value of such properties for other than rail transportation purposes, less all costs of dismantling and disposition of improvements necessary to make the remaining properties available for their highest and best use and complying with applicable zoning, land use, and environmental regulations.¹ *This is an appraisal of the land only, the net salvage value of any improvements is not included.*

SUBJECT PROPERTY DESCRIPTION

The subject property is an approximately 16.7-mile corridor extending from Mile Post CAF 27.0 near Rainelle Junction to Mile Post CAF 43.7 near the city of Nallen, West Virginia. A map of the subject is on the following page. Detailed Valuation Maps showing the specific location and title of the subject property are included in the Addendum to this report.

¹ 49 C.F.R. Ch. X (10-1-07 ed.) §1152.34 (c)(1)(iii)

Subject Location Map



Brad F Beckworth, MAI
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Page 5

A legal description was not provided for the subject property. It is, however, shown on the Valuation Maps in our work files and identified by the following map numbers:

| GIS Map Number | CSX PIN Number |
|----------------|----------------|
| 16265 | 54019-0021 |
| 17532 | 54019-0032 |
| 17533 | 54019-0033 |
| 17534 | 54019-0034 |
| 17535 | 54019-0035 |
| 17536 | 54019-0036 |
| 17537 | 54025-0135 |
| 17538 | 54025-0136 |
| 17539 | 54025-0137 |
| 17540 | 54025-0138 |
| 17541 | 54025-0139 |
| 17542 | 54025-0140 |
| 17543 | 54025-0142 |
| 17544 | 54019-0037 |
| 17550 | 54019-0044 |
| 17551 | 54019-0047 |
| 17570 | 54019-0184 |
| 17571 | 54019-0116 |
| 17572 | 54019-0011 |
| 17573 | 54019-0120 |

The subject contains a total of 151.94 acres, 47.07 acres of which are owned in less-than-fee title. Approximately 104.87 acres are owned in fee, and only these acres are used in estimating the NLV.

Located in rural south central West Virginia, the subject corridor is a portion of the Southern Region, Huntington East Division, Sewell Valley Subdivision of the CSX Railroad right-of-way, running between Ramelle Junction and the city of Nallen. The corridor is bordered by acreage and

Brad T. Beckworth, MAI
July 11, 2008
Page 6

rural residential land uses. The terrain in this region is mountainous, with the entirety of the subject running parallel to Meadow River.

INTEREST APPRAISED

This is an NLV estimate of the fee simple interest only.

ZONING/LAND USE

ATF zoning along the corridor was considered in determining the highest and best use of the ATF land uses. ATF zoning along the corridor in Fayette County is classified as Agricultural District (R-A); ATF parcels in Greenbrier County are not zoned.

HIGHEST AND BEST USE

By definition, the highest and best use of the subject property for an NLV estimate is for the disassemblage of the corridor and sale to adjacent land owners. Accordingly, this valuation assumes that the subject property is hypothetically sold to a single purchaser for such purpose.

VALUATION

In a net liquidation valuation, the present value of disassembling the subject corridor and selling the fee parcels to mostly adjoining property owners is estimated by valuing all fee-owned ATF parcels based on their land uses. The corridor is divided into segments, based on ATF land use changes on one side and on the other (and documented on land use maps retained in our work files). Where the land use is different on each side of the corridor, the average unit value for each land use is used. The ATF unit value is then multiplied by the size of the segment. The total ATF value is then discounted, taking into account the time required to sell the individual parcels, holding costs, the cost of sales, and the yield rate required by a potential purchaser. Estimated ad valorem taxes are accounted for by adding the weighted-average, effective tax rate to the discount rate.

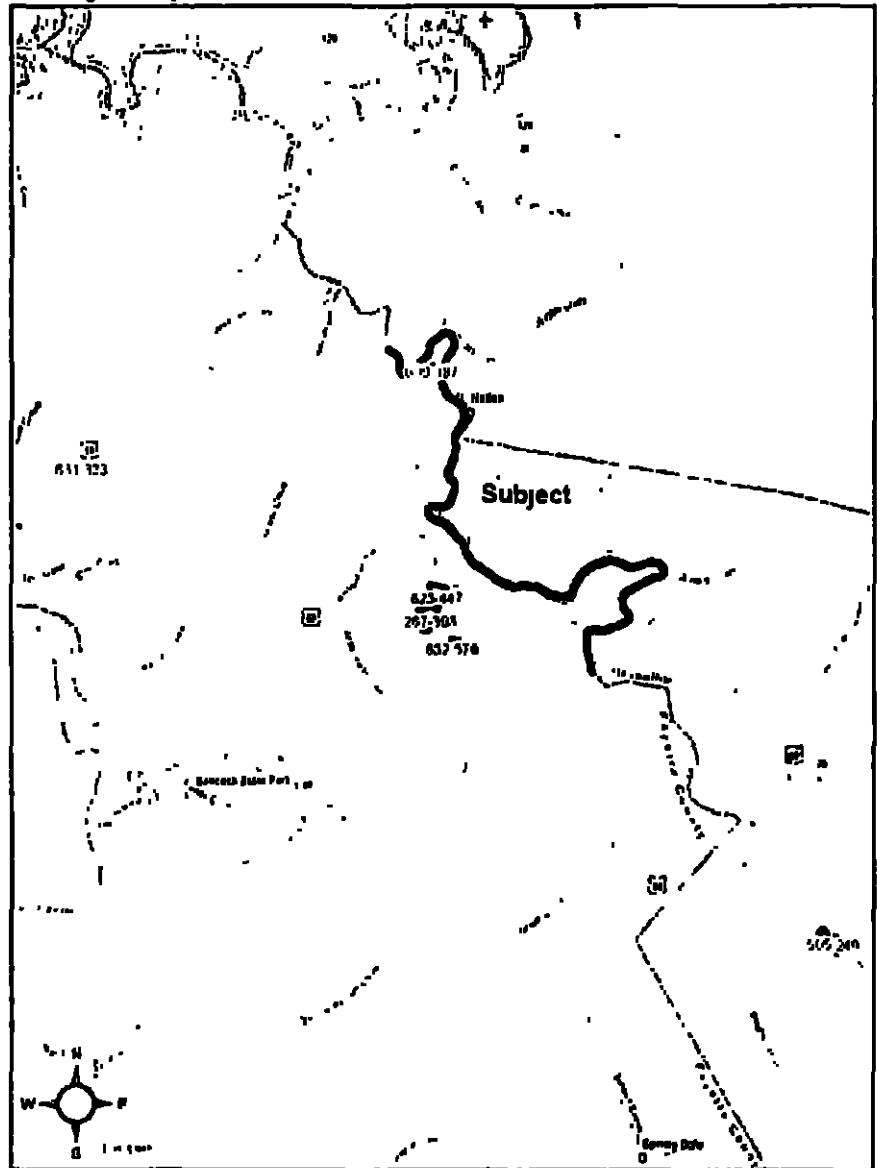
ATF land uses along the subject corridor are acreage and rural residential.

Page 7

Six acreage sales in the immediate surrounding area of the subject corridor are used to estimate the ATF value, as illustrated in Figure 1 below. A map of the acreage comparable sales is on the following page. The arithmetic mean of the acreage comparable sales is \$947 per acre, with a median of \$990. Most weight is placed on the arithmetic mean, therefore, the ATF unit value is estimated at **\$950 per acre**.

| Sale number | Grantee | Grantor | County | Area (ac) | Sale date | Sale price | Price per acre |
|-------------|--------------------------|---------------------|---------|-----------|-------------------------|------------|----------------|
| 505-249 | McClanahan Violet L. | Whisman, Michael | Greene | 31.18 | 04/20/2006 | \$25,000 | \$788 |
| 523-447 | Meadowhead Corporation | Korparity, Robert S | Fayette | 82.51 | 07/24/2006 | \$82,510 | \$1,000 |
| 632-576 | Forestry Associates Inc. | Kerney, John & Ann | Fayette | 36.07 | 05/23/2007 | \$36,000 | \$999 |
| 631-333 | Jerman, Eleanor | DLR Properties LLC | Fayette | 43.00 | 06/19/2007 | \$19,933 | \$1,208 |
| 600-187 | Perry, Edwin A. | Bennett, Paul E. | Fayette | 39.28 | 08/06/2007 | \$30,000 | \$764 |
| 267-303 | Korparity, Robert S | Steen, Helen L. | Fayette | 77.12 | 09/21/2007 | \$75,779 | \$983 |
| Subject | | | | | | | |
| | | | | | Arithmetic mean | | \$947 |
| | | | | | Standard deviation | | \$161 |
| | | | | | Coefficient of variance | | 16.94% |
| | | | | | Maximum | | \$1,208 |
| | | | | | Minimum | | \$731 |
| | | | | | Median | | \$999 |

Acreage comparable sales



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http://www.midwaygis.com
June 25, 2008

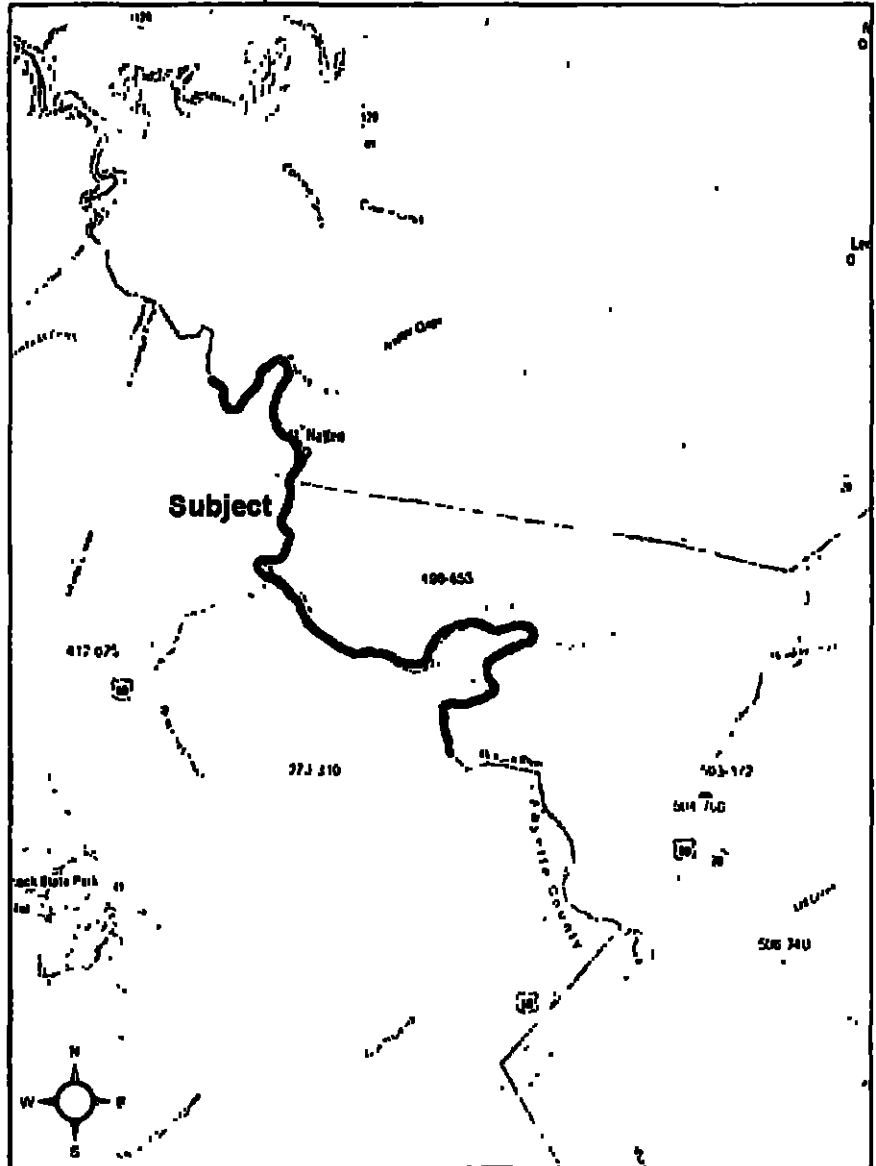
0 0.5 1 2 3 4 Miles

Page 9

Figure 2 below shows the six sales used to estimate the ATF value for rural residential land uses along the corridor. The map on the following page shows the locations of the comparable sales relative to the subject property. The arithmetic mean of the rural residential sales is \$1,918 per acre with a median of \$2,124. Equal weight is given to the arithmetic mean and median, therefore, the estimated ATF unit value for rural residential land uses is **\$2,000 per acre**.

| Sale number | Grantor | Grantee | County | Area (ac) | Sale date | Sale price | Price per acre |
|-------------|-------------------------|-------------------|-----------|-----------|-------------------------|------------|----------------|
| 498 663 | Soltes, Frank A. | Mutter Don D | Greentree | 5.02 | 05/28/2015 | \$4,000 | \$800 |
| 503 377 | Unknown | Stacher Wilbert R | Greentree | 1.50 | 01/05/2006 | \$3,000 | \$2,000 |
| 504 766 | Nelson, Barry N | Shepperd Calvin L | Greentree | 9.54 | 03/24/2006 | \$7,000 | \$786 |
| 506 740 | Daily, Timothy W | Lilly Bobby J | Greentree | 2.57 | 05/23/2006 | \$6,000 | \$2,247 |
| 273 319 | Trustees of Minnie Beke | Ferry Earl | Fayette | 0.27 | 08/05/2007 | \$500 | \$2,273 |
| 412 625 | Highland Towers LLC | Oberly, Theresa C | Fayette | 3.37 | 09/11/2007 | \$13,500 | \$3,401 |
| Subject | | | | | | | |
| | | | | | Arithmetic mean | | \$1,918 |
| | | | | | Standard deviation | | \$910 |
| | | | | | Coefficient of variance | | 47.46% |
| | | | | | Maximum | | \$3,401 |
| | | | | | Minimum | | \$786 |
| | | | | | Median | | \$2,124 |

Rural residential comparable sales



© 2008 RMI Mapped GIS
by p. Brown mapped.com
J. N. 25 1008

0 0.5 1 2 3 4 Miles

The ATF unit values in Figure 3 below are applied to the calculated areas within the subject corridor segments, as illustrated in Figure 4 on the next page.

Figure 3 ATF Unit Value Summary

| Description | County | Unit value (per acre) |
|--------------------|---------------|----------------------------------|
| Acreage | All | \$950 |
| Rural Residential | All | \$2,000 |

ACROSS-THE-FENCE VALUATION

The unit values in Figure 3 are applied to each land use segment within the subject corridor. The unit values for each segment are averaged and then multiplied by that segment's area to calculate its ATF value. If the unit values are different on either side, the average of the two values is used. Figure 4 on the following page shows the ATF valuation of the subject corridor. The total ATF value shown is \$121,003.

Figure 4 AITE Valuation

| Segment Number | GIS Map # | Land Use | West | East | County | AITE Unit Values | Average AITE Unit Value - east side | Area (sq. ft.) | Area (acres) | AITE Value |
|-------------------|--------------|----------|------|-------------------|---------|---------------------|---|-------------------|-----------------|---------------|
| 1 | 17533 | Acres | | River | Fayette | \$50 | \$50 | 62,330.01 | 1.43 | \$1,330 |
| 2 | 17533 | Acres | | Acres | Fayette | \$50 | \$50 | 250,801.90 | 5.76 | \$5,470 |
| 3 | 17534 | Acres | | River | Fayette | \$50 | \$50 | 466,733.49 | 11.22 | \$10,830 |
| 4 | 17535 | Acres | | Acres | Fayette | \$50 | \$50 | 13,515.81 | 1.93 | \$1,830 |
| 5 | 17535 | Acres | | River | Fayette | \$50 | \$50 | 123,353.55 | 2.83 | \$2,830 |
| 6 | 17535 | Acres | | Acres | Fayette | \$50 | \$50 | 136,046.38 | 3.10 | \$2,965 |
| 7 | 17535 | Acres | | River | Greene | \$50 | \$50 | 511,354.84 | 11.74 | \$11,152 |
| 8 | 17537 | Acres | | Acres | Greene | \$50 | \$50 | 189,955.34 | 4.36 | \$4,144 |
| 9 | 17538 | Acres | | Acres | Greene | \$50 | \$50 | 284,463.55 | 6.50 | \$5,222 |
| 10 | 17539 | Acres | | Acres | Greene | \$50 | \$50 | 137,643.50 | 3.16 | \$3,002 |
| 11 | 17539 | Acres | | Acres | Greene | \$50 | \$50 | 27,514.57 | 0.63 | \$600 |
| 12 | 17539 | Acres | | Acres | Greene | \$50 | \$50 | 54,730.27 | 1.26 | \$1,195 |
| 13 | 17540 | Acres | | Acres | Greene | \$50 | \$50 | 270,436.41 | 6.21 | \$5,838 |
| 14 | 17540 | Acres | | Acres | Greene | \$50 | \$50 | 88,570.54 | 1.57 | \$1,494 |
| 15 | 17541 | Acres | | Acres | Greene | \$50 | \$50 | 489,672.15 | 10.78 | \$10,243 |
| 16 | 17541 | Acres | | Acres | Greene | \$50 | \$50 | 55,883.32 | 2.10 | \$2,061 |
| 17 | 17542 | Acres | | Acres | Greene | \$50 | \$50 | 270,933.75 | 6.22 | \$12,435 |
| 17A | 17542 | Acres | | Rural Residential | Greene | \$2,000 | \$2,000 | 5,114.53 | 0.14 | \$1,351 |
| 17B | 17542 | Acres | | Rural Residential | Greene | \$2,000 | \$2,000 | 3,821.46 | 0.08 | \$1,735 |
| 17C | 17542 | Acres | | Rural Residential | Greene | \$2,000 | \$2,000 | 7,534.86 | 0.17 | \$3,465 |
| 18 | 17543 | Acres | | Rural Residential | Fayette | \$2,000 | \$2,000 | 17,005.15 | 0.39 | \$781 |
| 19 | 17543 | Acres | | Rural Residential | Fayette | \$50 | \$1,475 | 75,301.67 | 1.73 | \$2,550 |
| 20 | 17543 | Acres | | Rural Residential | Fayette | \$2,000 | \$2,000 | 24,647.39 | 0.57 | \$1,141 |
| 21 | 17543 | Acres | | Rural Residential | Fayette | \$2,000 | \$2,000 | 9,444.94 | 2.21 | \$4,428 |
| 22 | 17543 | Acres | | Rural Residential | Fayette | \$50 | \$50 | 155,022.32 | 3.73 | \$3,600 |
| 23 | 17550 | Acres | | River | Fayette | \$50 | \$50 | 85,523.18 | 1.97 | \$1,867 |
| 24 | 17551 | Acres | | River | Fayette | \$50 | \$2,000 | 25,693.05 | 0.59 | \$1,187 |
| 25 | 17551 | Acres | | River | Fayette | \$50 | \$50 | 44,250.88 | 1.02 | \$955 |
| 26 | 17571 | Acres | | Rural Residential | Fayette | \$2,000 | \$2,000 | 45,552.84 | 1.14 | \$2,277 |
| 27 | 17573 | Acres | | Rural Residential | Fayette | \$2,000 | \$2,000 | 288,431.38 | 6.16 | \$12,325 |
| 27A | 17573 | Acres | | Rural Residential | Fayette | \$2,000 | \$2,000 | 27,635.55 | 0.63 | \$1,258 |
| 28 | 17574 | Acres | | Rural Residential | Fayette | \$50 | \$2,000 | 100,170.43 | 2.33 | \$3,463 |
| 29 | 17572 | Acres | | River | Fayette | \$50 | \$50 | 88,102.21 | 2.02 | \$1,921 |
| Subtotal | | | | | | | | 4,558,028.90 | 104.87 | \$121,000 |
| Grand Total | | | | | | | | 4,558,028.90 | 104.87 | \$121,000 |

Rounded to \$121,000

Brad T. Beckworth, MAI
July 11, 2008
Page 13

Review and analysis of property assessment records reveal approximately 110 land parcels located along either side of the fee-owned corridor, that is, the number of adjacent landowners is approximately 110.

Given the length of the corridor and the number of parcels, the sellout period anticipated by a typical buyer of the entire corridor would be three years, or the sale of approximately three parcels per month. The expectation is that the sales volume would be equally distributed over the sellout period.

In the net liquidation valuation scenario, the prospective purchaser of the corridor would not reasonably expect to sell all the parcels within the anticipated sellout period. We have estimated that 85% of the parcels would sell in the expected sellout period.

The cost of sales is estimated at 11%, which includes real estate commissions. A yield rate of 18% is used to estimate the net liquidation value of the corridor.

Given the relatively short sellout period, no land appreciation is estimated.

Figure 5 below shows the discounted cash flow analysis and the final NLV estimate, as of June 27, 2008, of \$66,000.

Figure 5 Discounted cash flow and Net Liquidation Value

| | Year 1 | Year 2 | Year 3 |
|--------------------------|-----------|-----------|-----------|
| Gross potential sales | \$40,334 | \$40,334 | \$40,334 |
| Percent sold | 85% | 85% | 85% |
| Likely sales | \$34,284 | \$34,284 | \$34,284 |
| Less cost of sales @ 11% | \$3,771 | \$3,771 | \$3,771 |
| Net sales | \$30,513 | \$30,513 | \$30,513 |
| Present value @ 18% | \$66,344 | | |
| Reounded to | \$66,000 | | |

GENERAL UNDERLYING ASSUMPTIONS

This limited appraisal has been developed based on the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated. The legal description is assumed to be correct for the purposes of this report.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. The information furnished by others is believed to be reliable, however, no warranty is given for its accuracy.
4. All engineering material is assumed to be correct. The plot plans and any other illustrative material in this report are included only to assist the reader in visualizing the property.
5. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
6. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations unless noncompliance is stated, defined, and considered in the appraisal report.
7. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
8. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained in this report is based.
9. It is assumed that the utilization of the land is within the boundaries of property lines of the property described and that there is no encroachment or trespass unless noted in the report.

LIMITING CONDITIONS

This appraisal report has been made with the following limiting conditions:

1. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
2. The appraiser herein by reason of this appraisal is not required to give further information, consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
3. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall

Brad T. Beckworth, MAI

July 11, 2008

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- be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
- 4 The property was not appraised subject to long-term leases on land or improvements which affect the value of the land.
 - 5 Sales data and information regarding land sales were abstracted from public records, from sales services, and from other sources. This information is assumed to be accurate and correct.
 6. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, was not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions may affect the value of the property, the value opinion is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

EXTRAORDINARY ASSUMPTIONS

- 1 All title opinions and characterizations of fee or less than fee title were provided by the client and/or the client's legal counsel.
- 2 According to the regulations of the Surface Transportation Board, only fee parcels were given a value.
3. In determining property boundaries and parcel boundaries, the railroad Valuation Maps are assumed to be accurate. No survey was provided.
- 4 The area of the subject property and the areas of its segments were calculated by the use of ArcView on geo-referenced Valuation Maps. While these areas are the best estimates, they are not as accurate as areas calculated by a survey.

CERTIFICATION

The undersigned does hereby certify that, except as otherwise noted in this appraisal report,

- 1 To the best of my knowledge and belief, the statements of fact contained in this appraisal report are true and correct.
- 2 The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

Brad T Beckworth, MAI

July 11, 2008

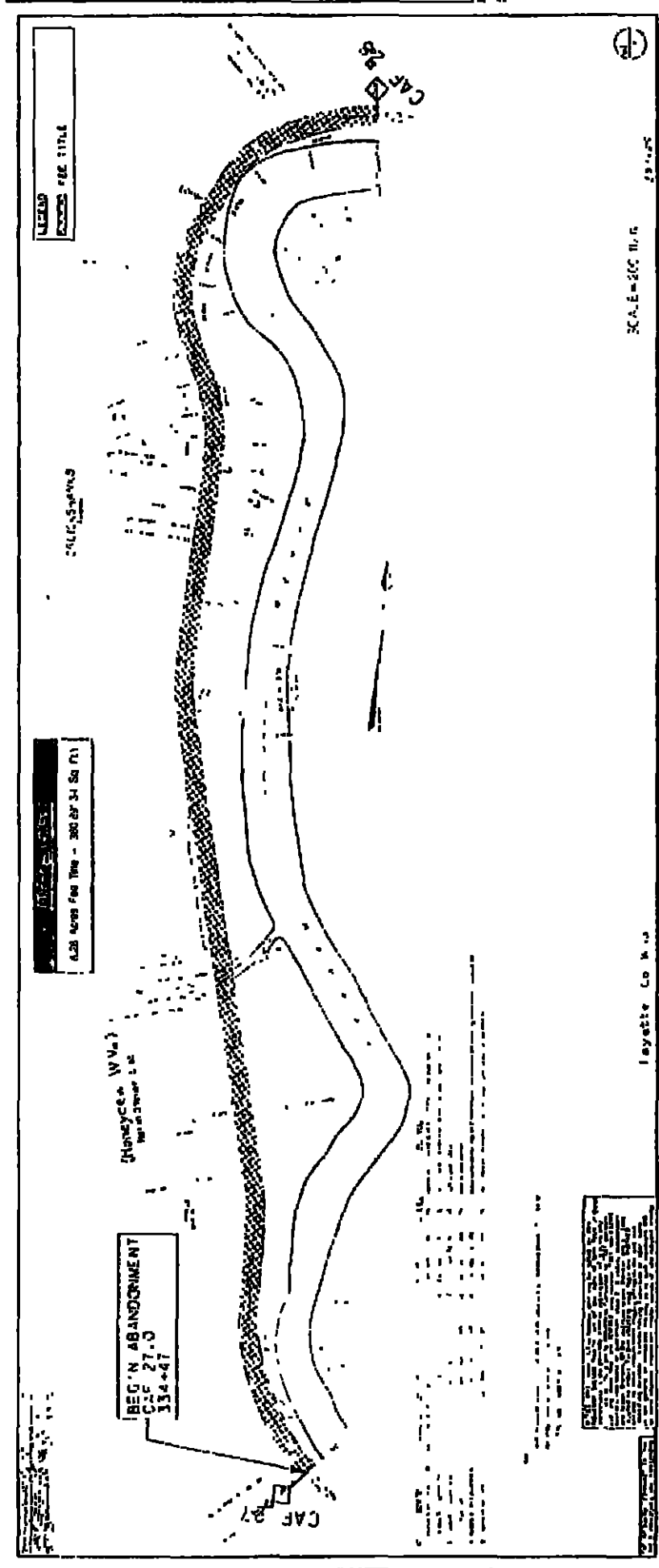
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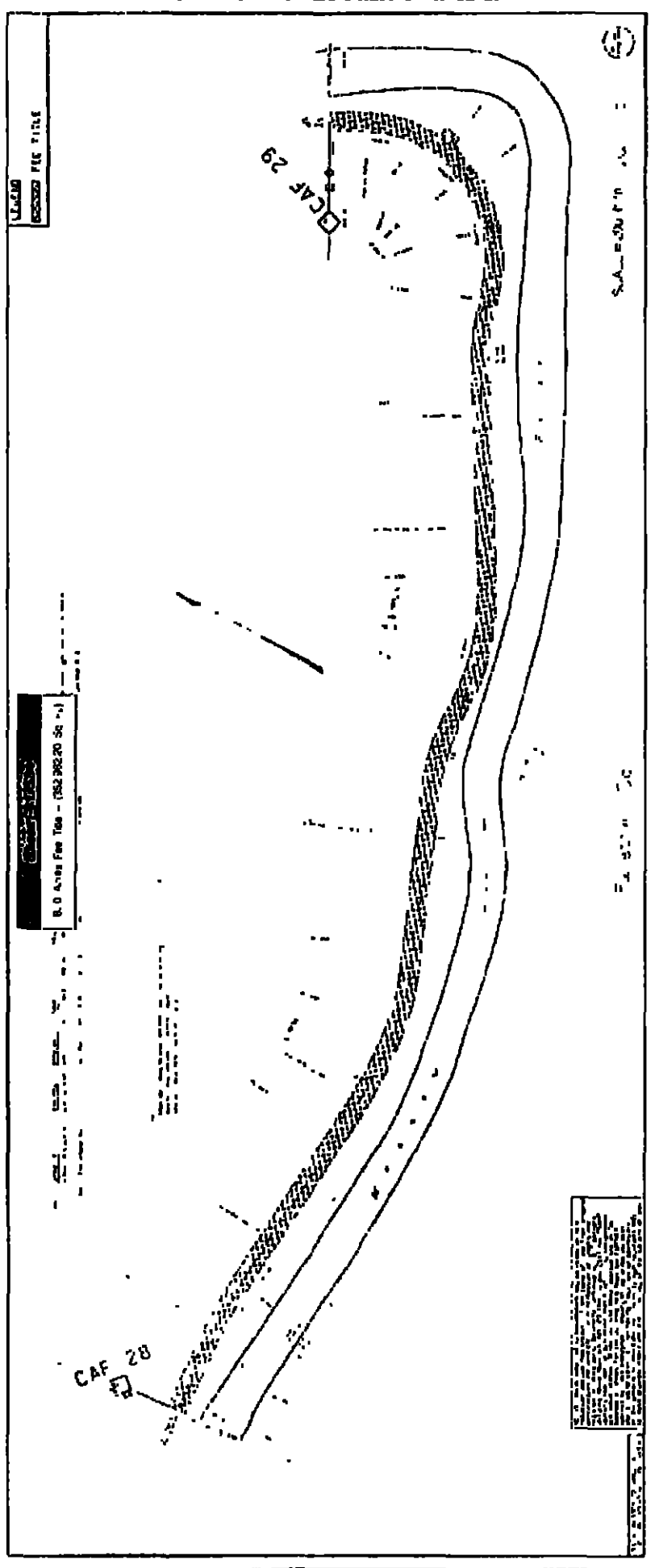
- 3 I have no present or prospective interest in the property that is the subject of this report,
and I have no personal interest or bias with respect to the parties involved
- 4 My compensation is not contingent on an action or event resulting from the analyses,
opinions, or conclusions in, or the use of, this report
- 5 My analyses, opinions, and conclusions were developed, and this report has been
prepared, in conformity with the Uniform Standards of Professional Appraisal Practice
- 6 The use of this report is subject to the requirements of the Appraisal Institute relating to
review by its duly authorized representatives
- 7 I am currently certified under the continuing education program of the Appraisal Institute
- 8 I did *not* physically inspect the property that is the subject of this report
- 9 Cameron R Rex assisted in the mapping of the subject property Charles W Rex IV
assisted in the gathering of data, analysis of the subject property and comparable sales,
valuation, and writing of this report Susan Motycka Rex edited this report
- 10 My opinion of the estimate of net liquidation value for the subject property, as of June 27,
2008, is **\$66,000**

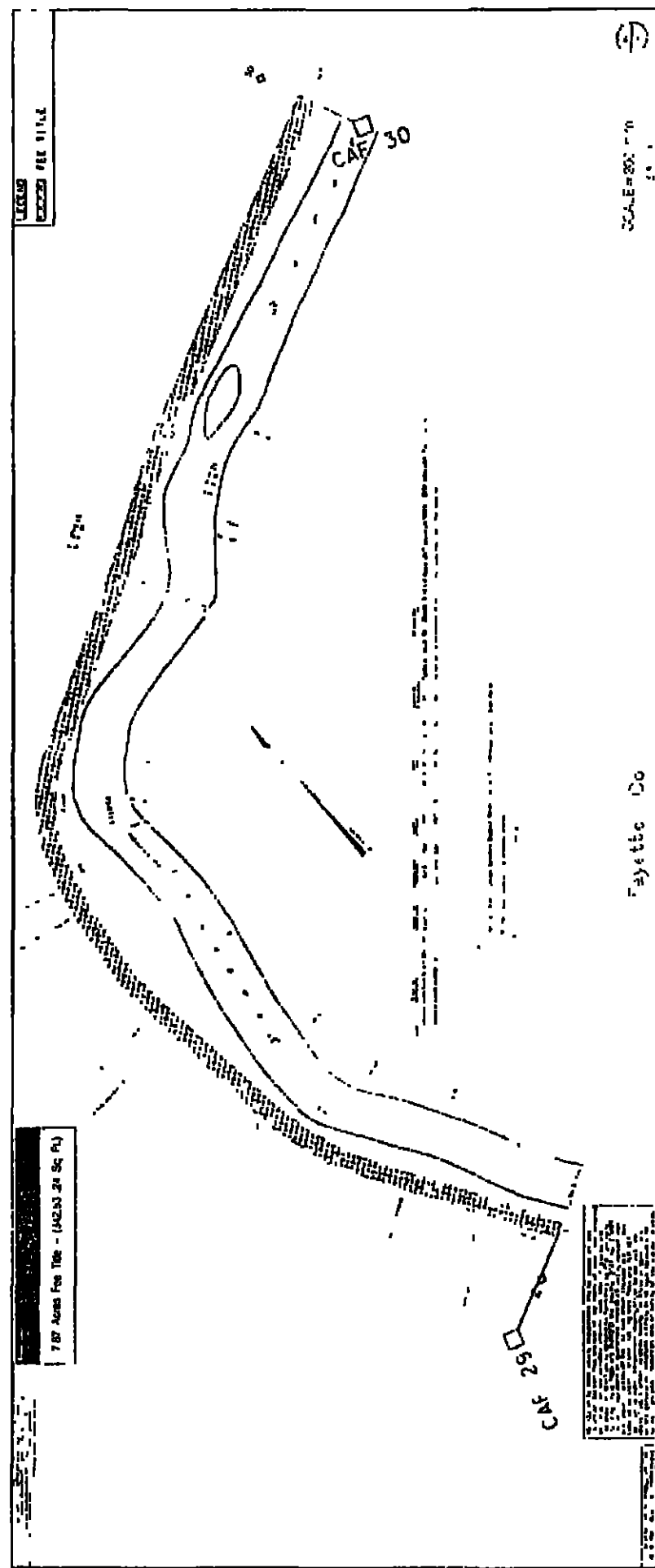


Charles W (Sandy) Rex III, MAI

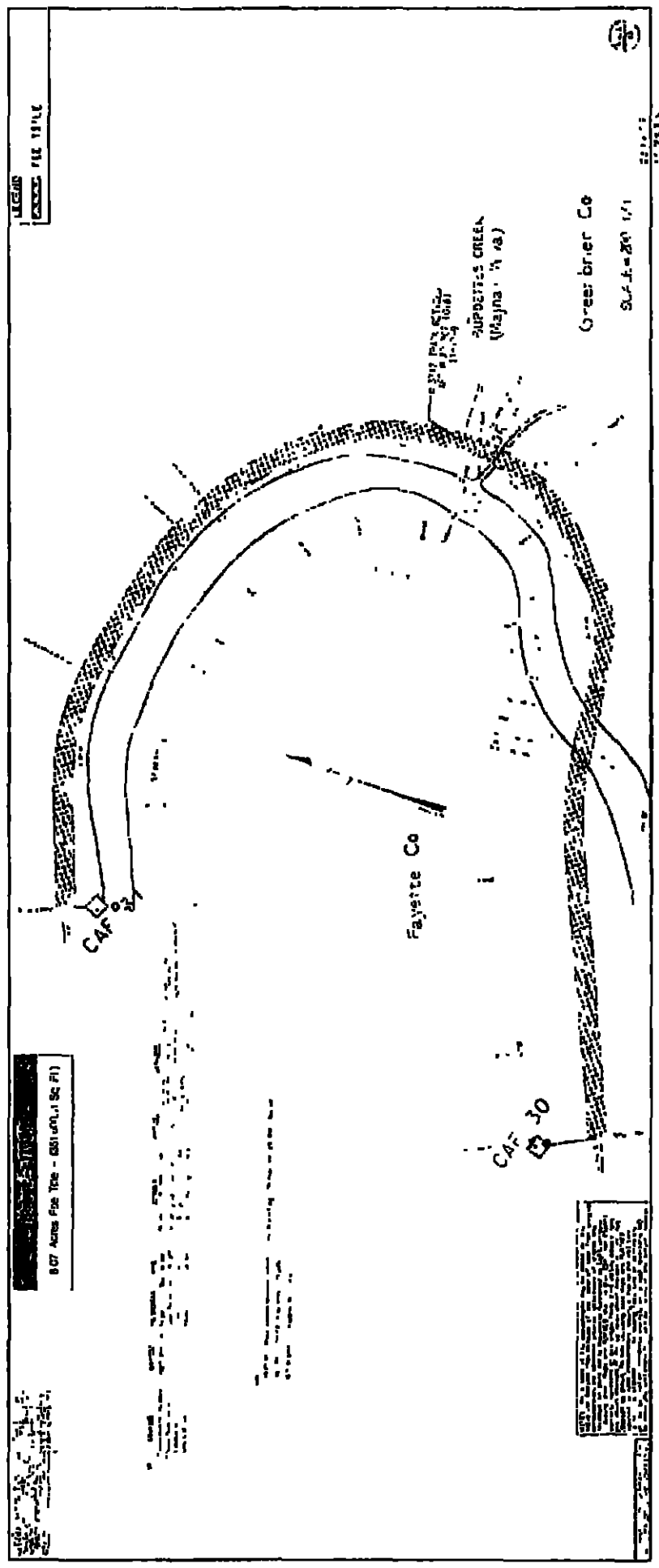
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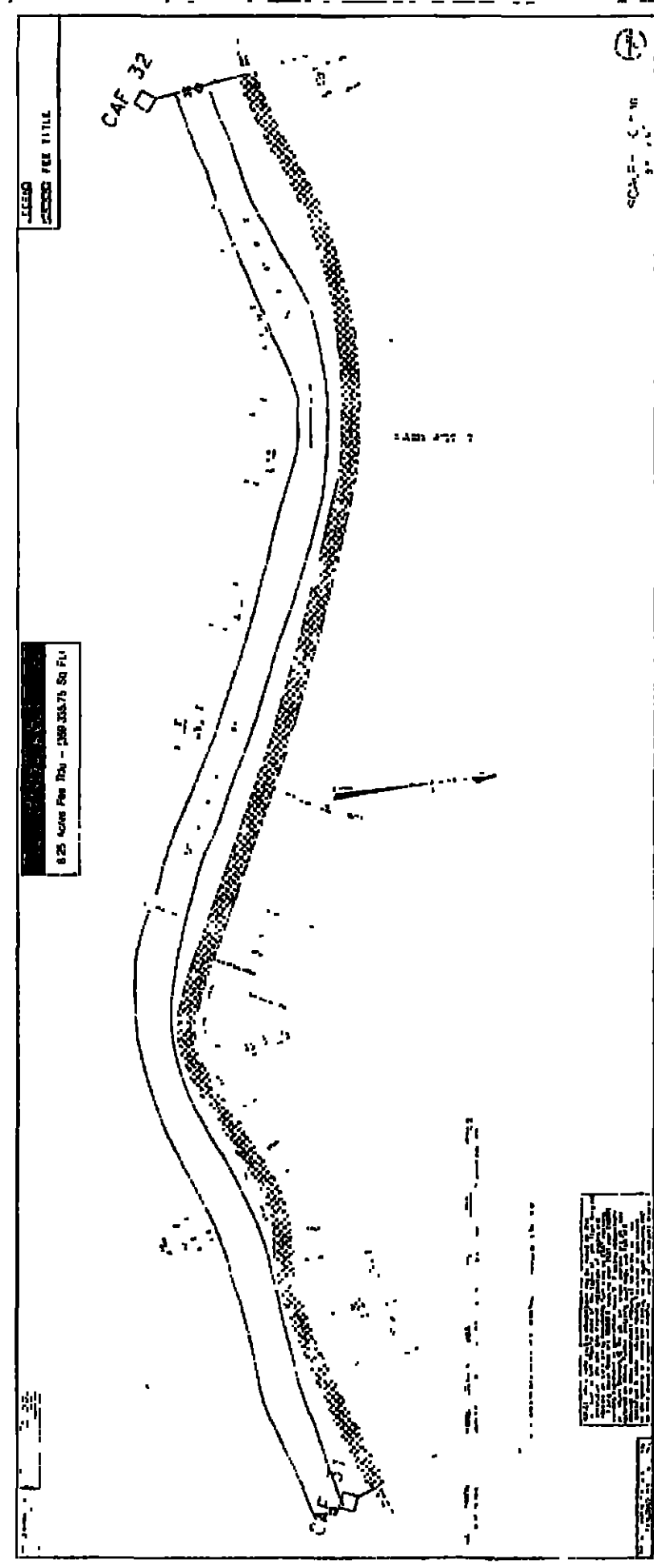


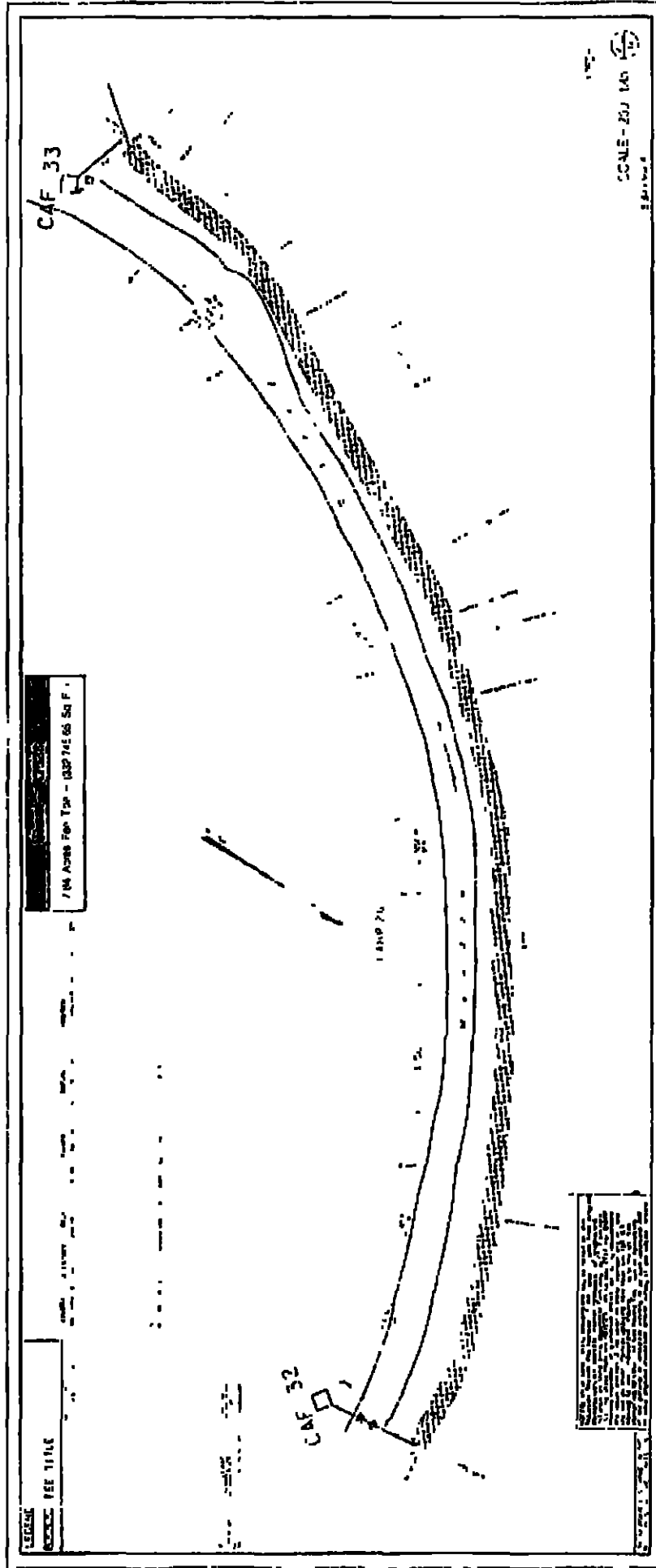


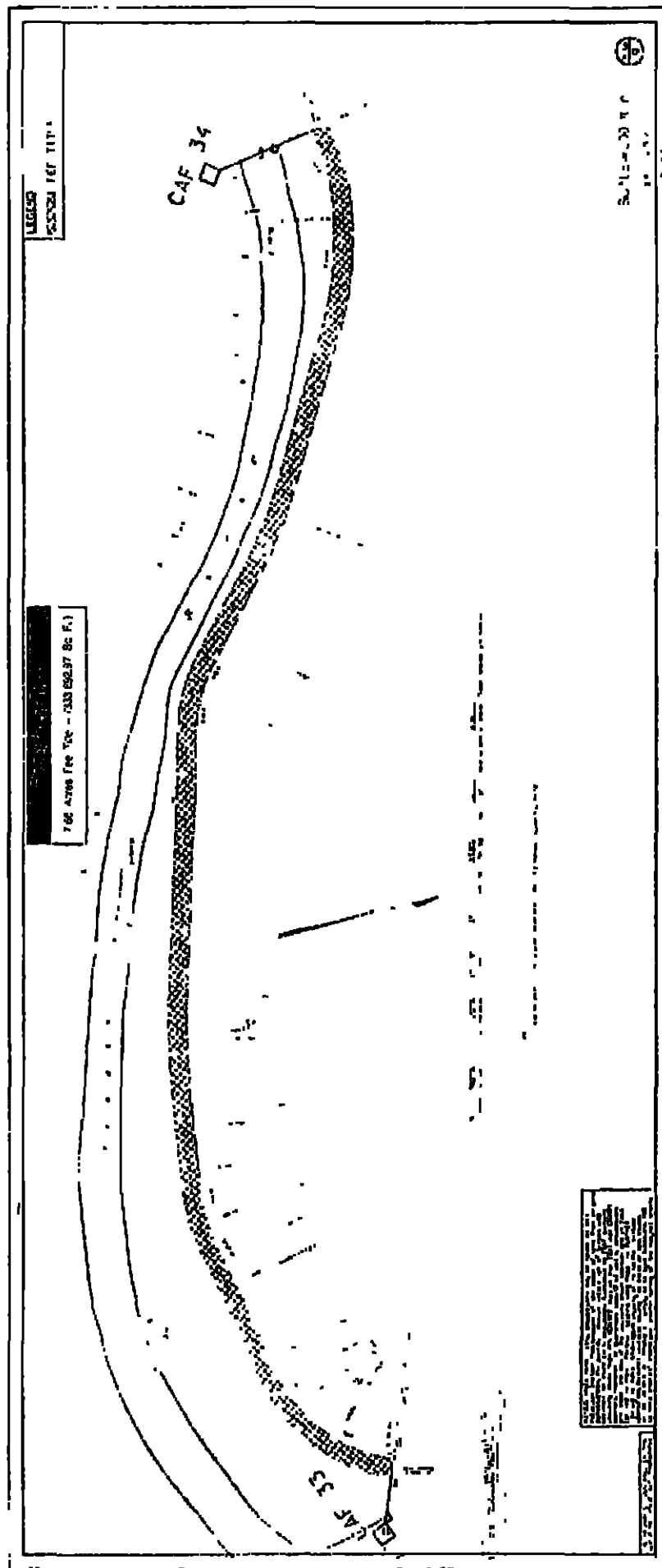


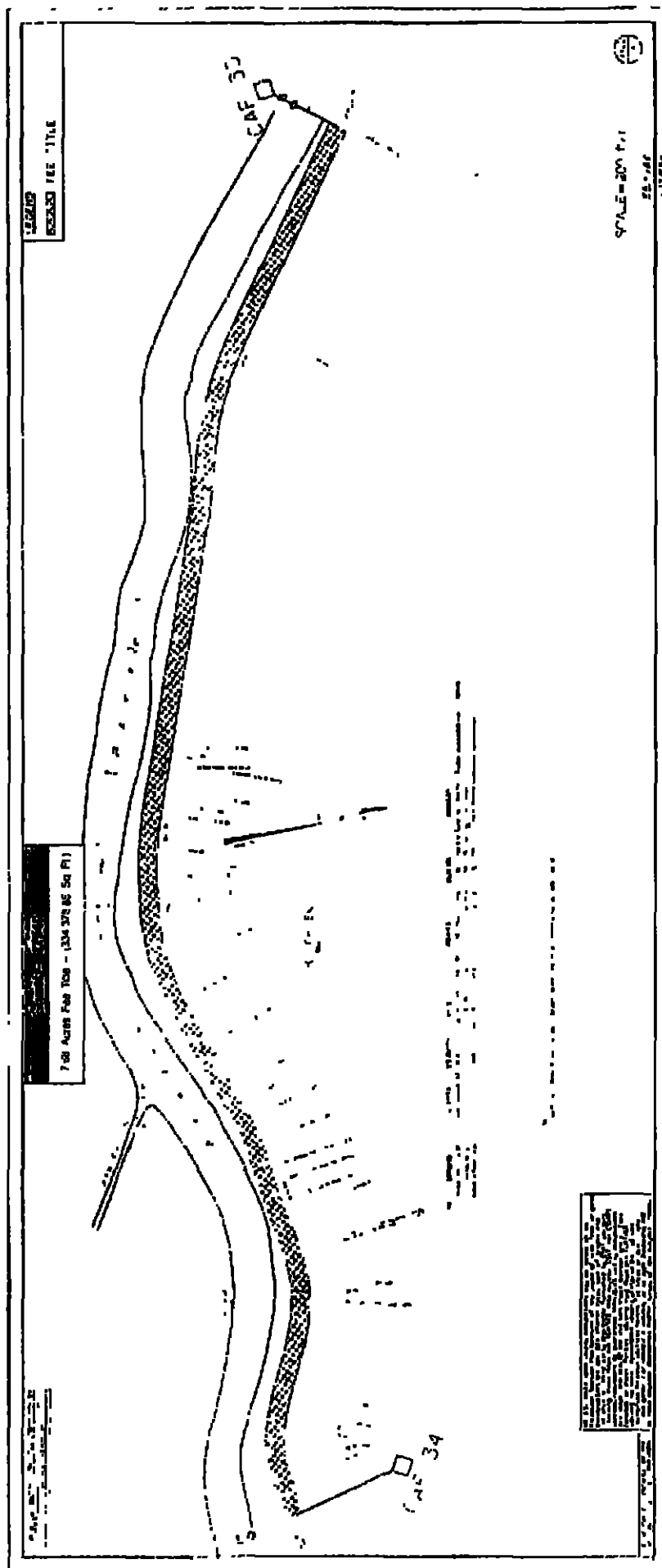
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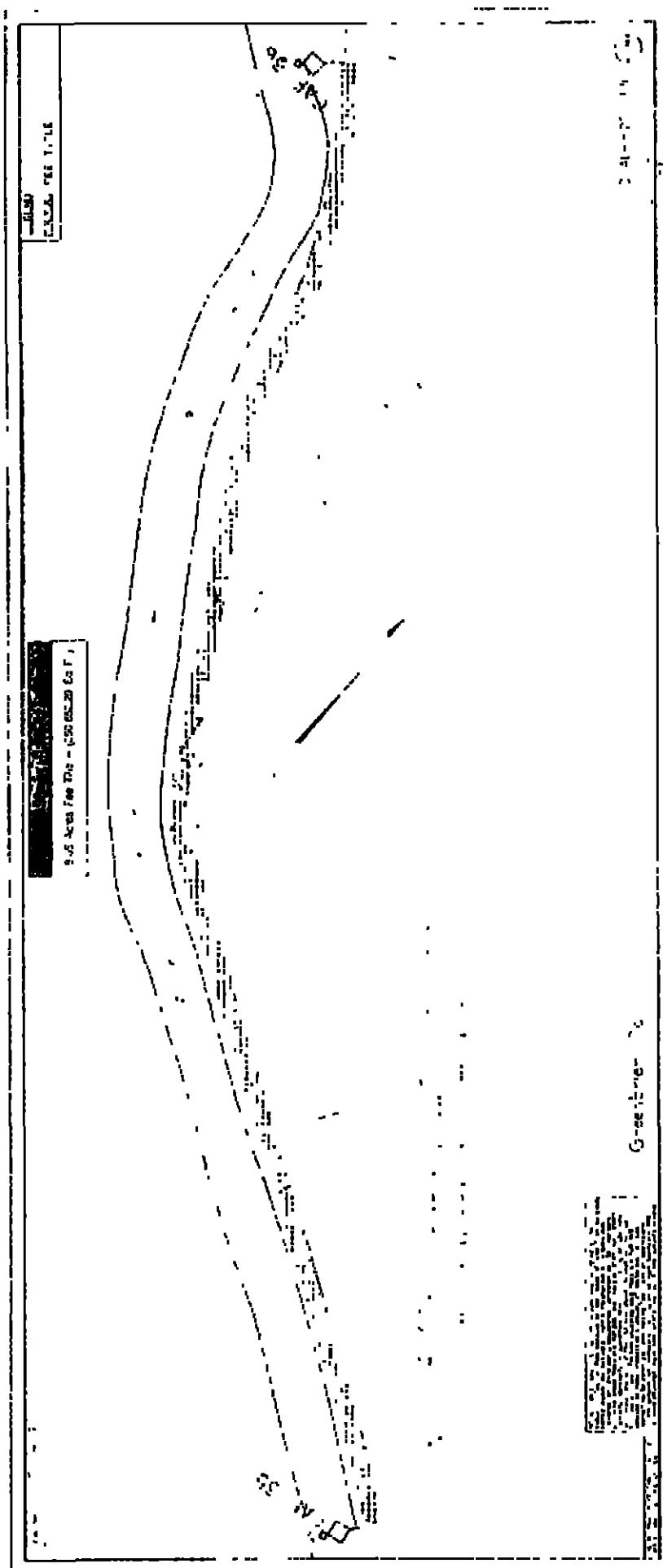


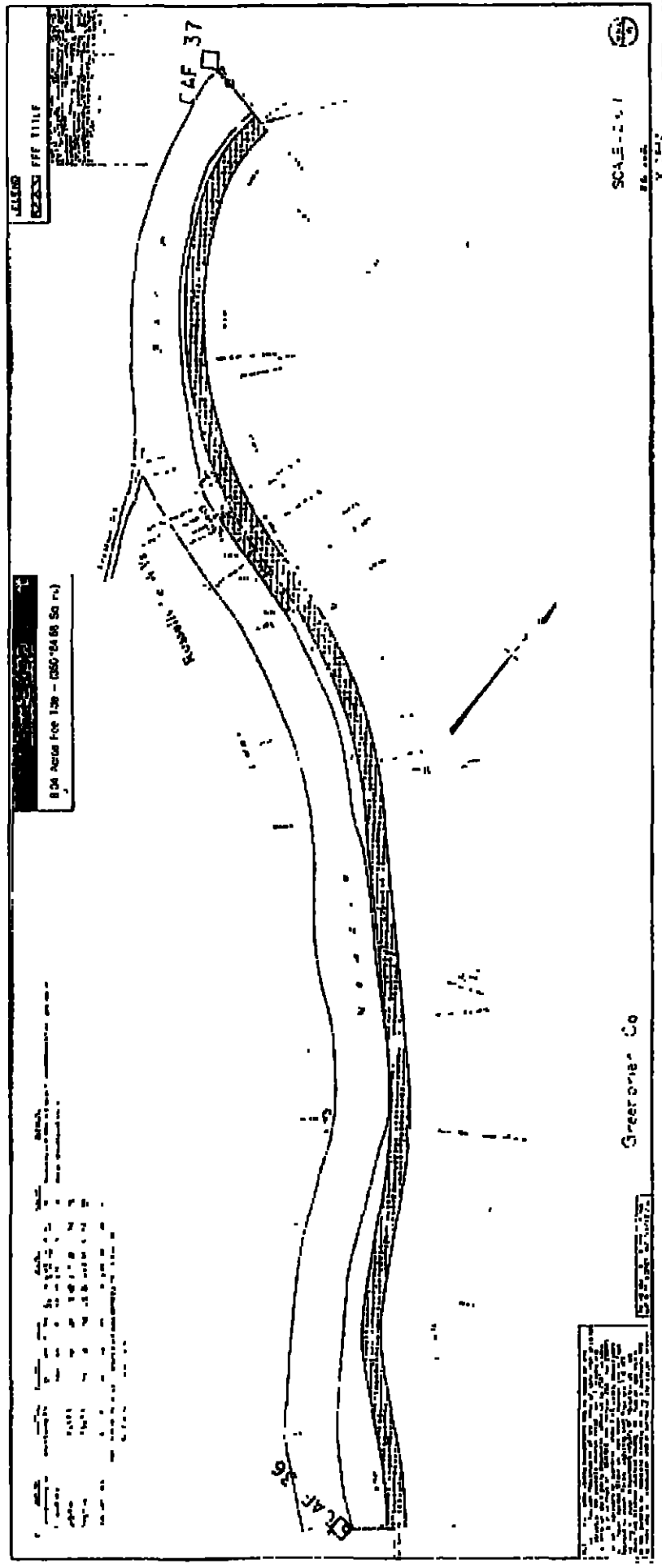


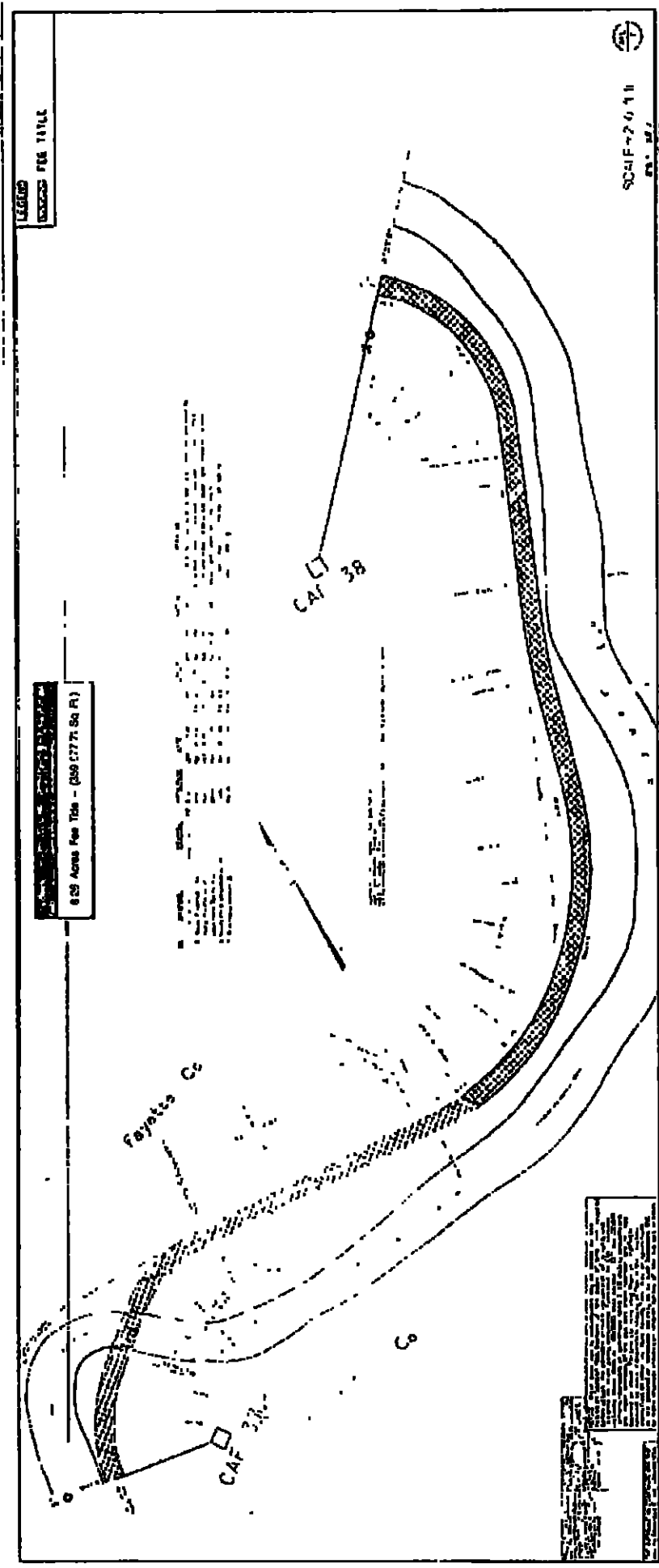


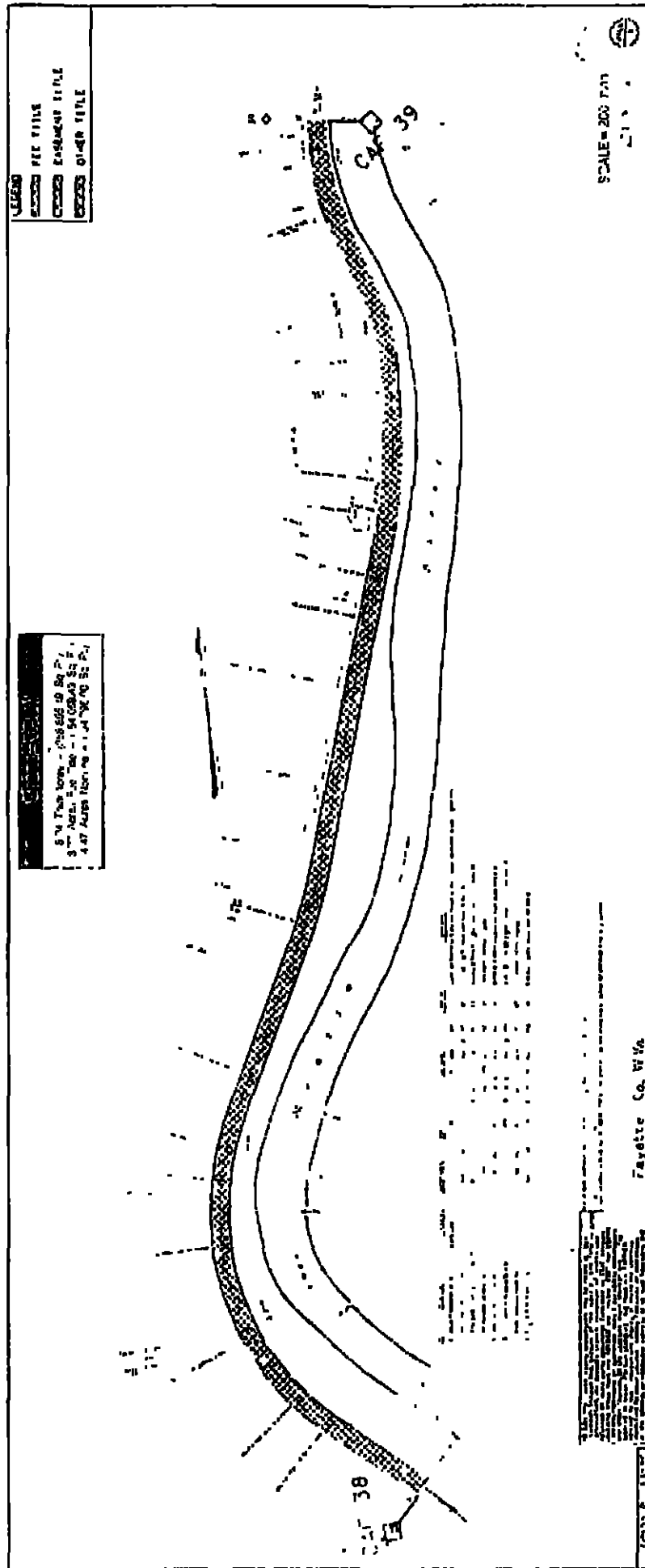


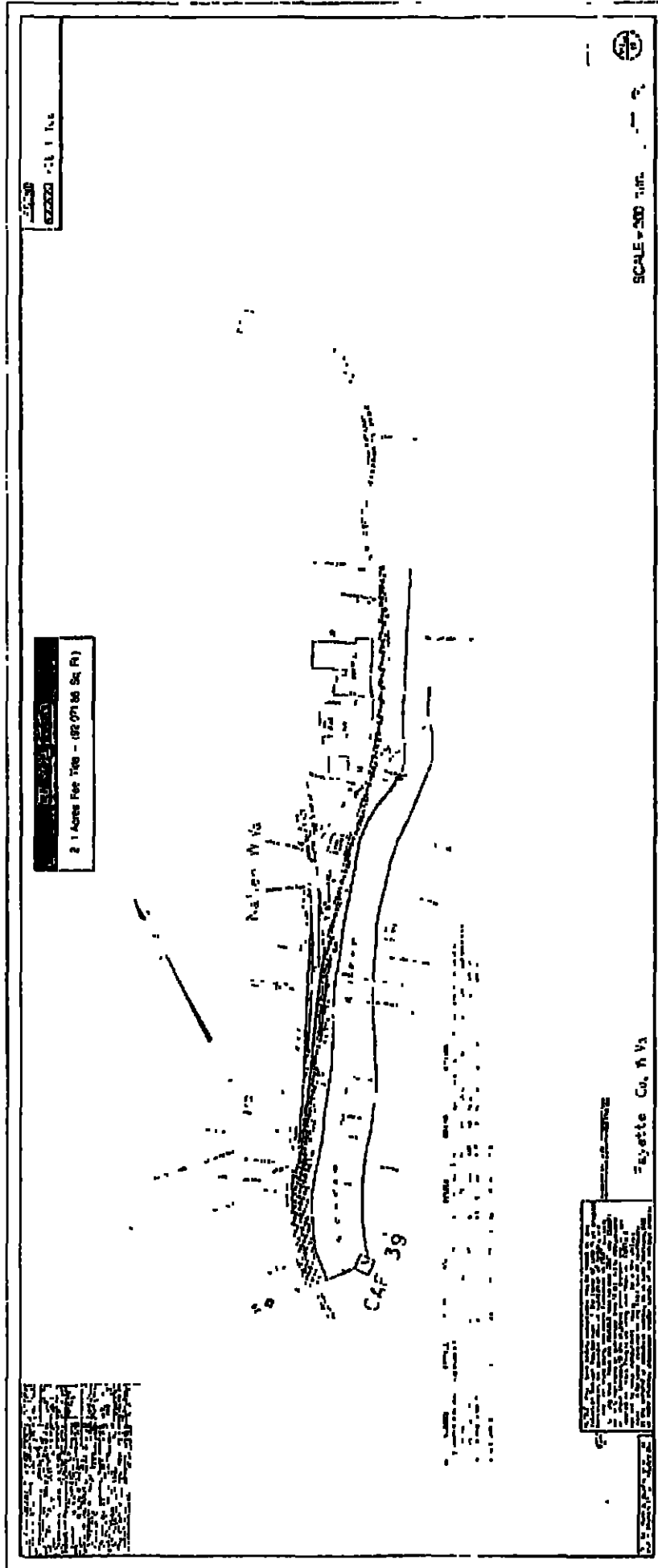


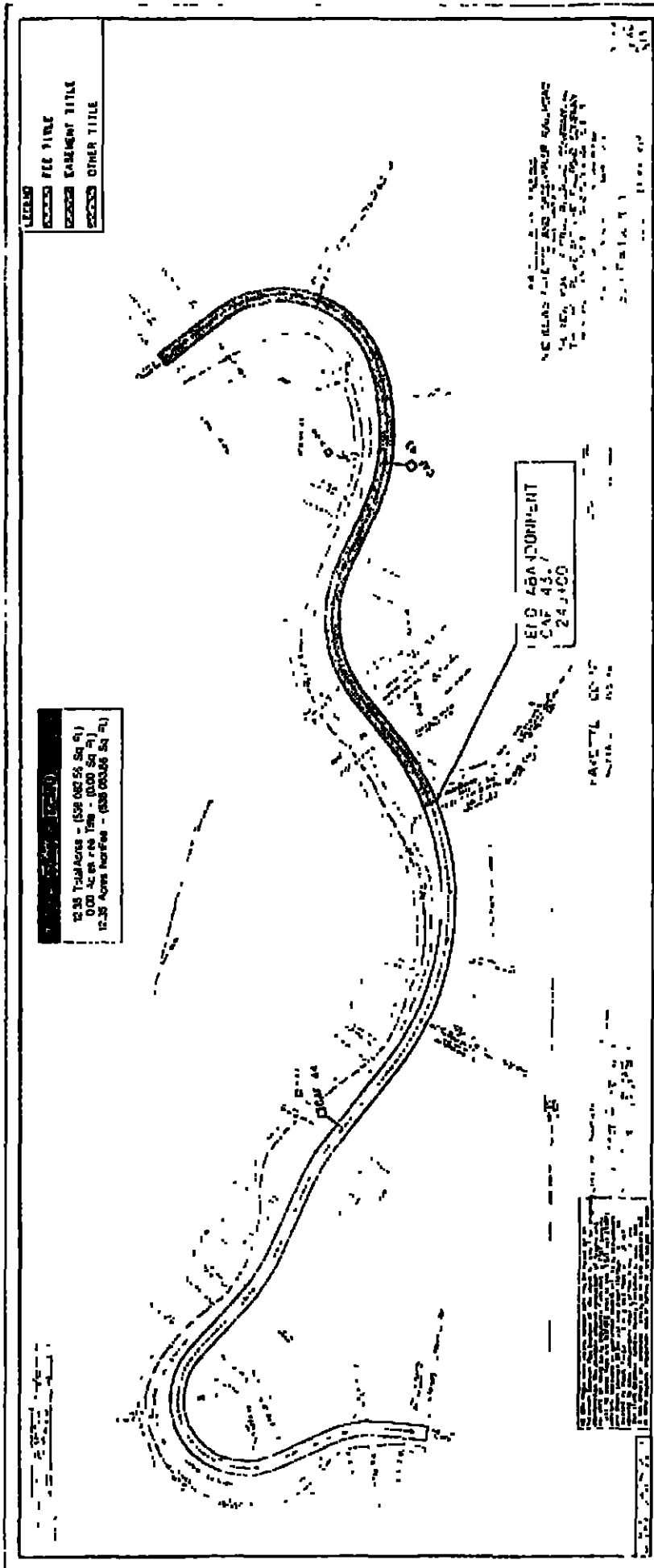




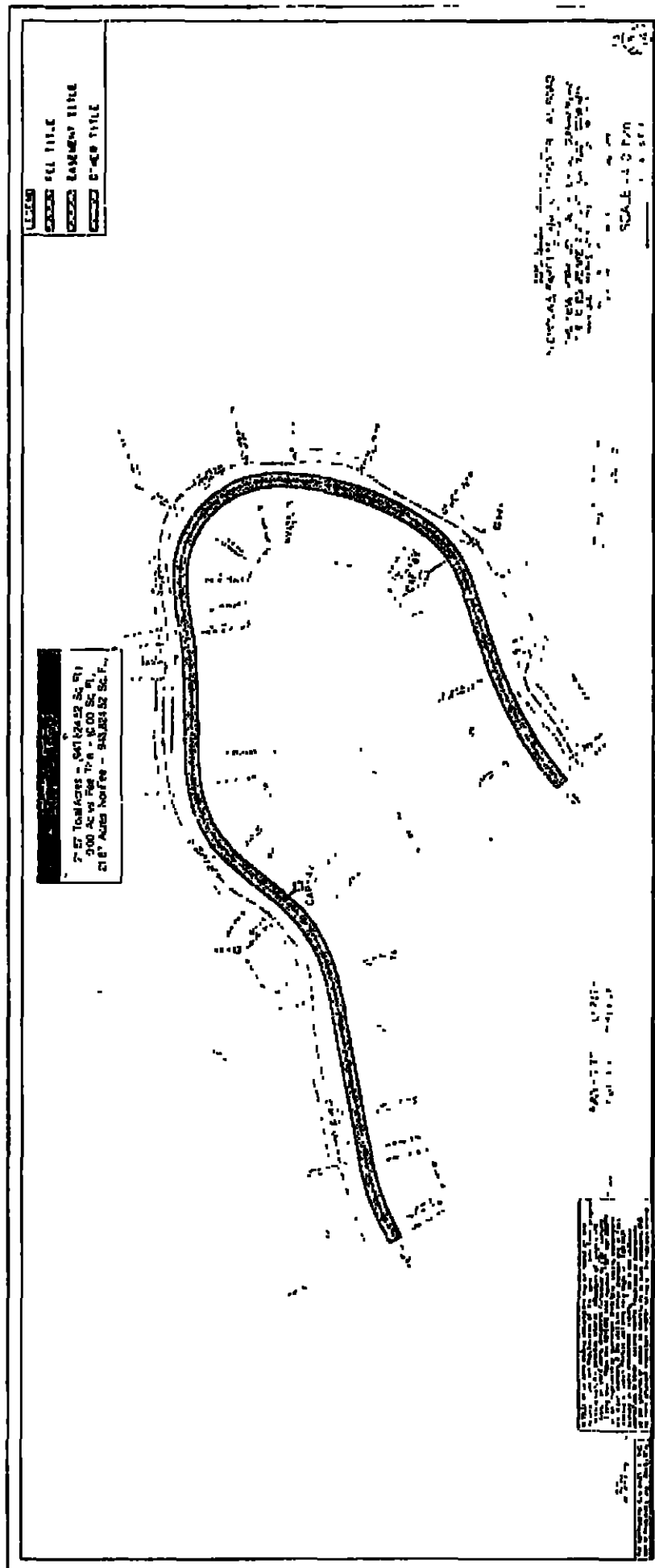


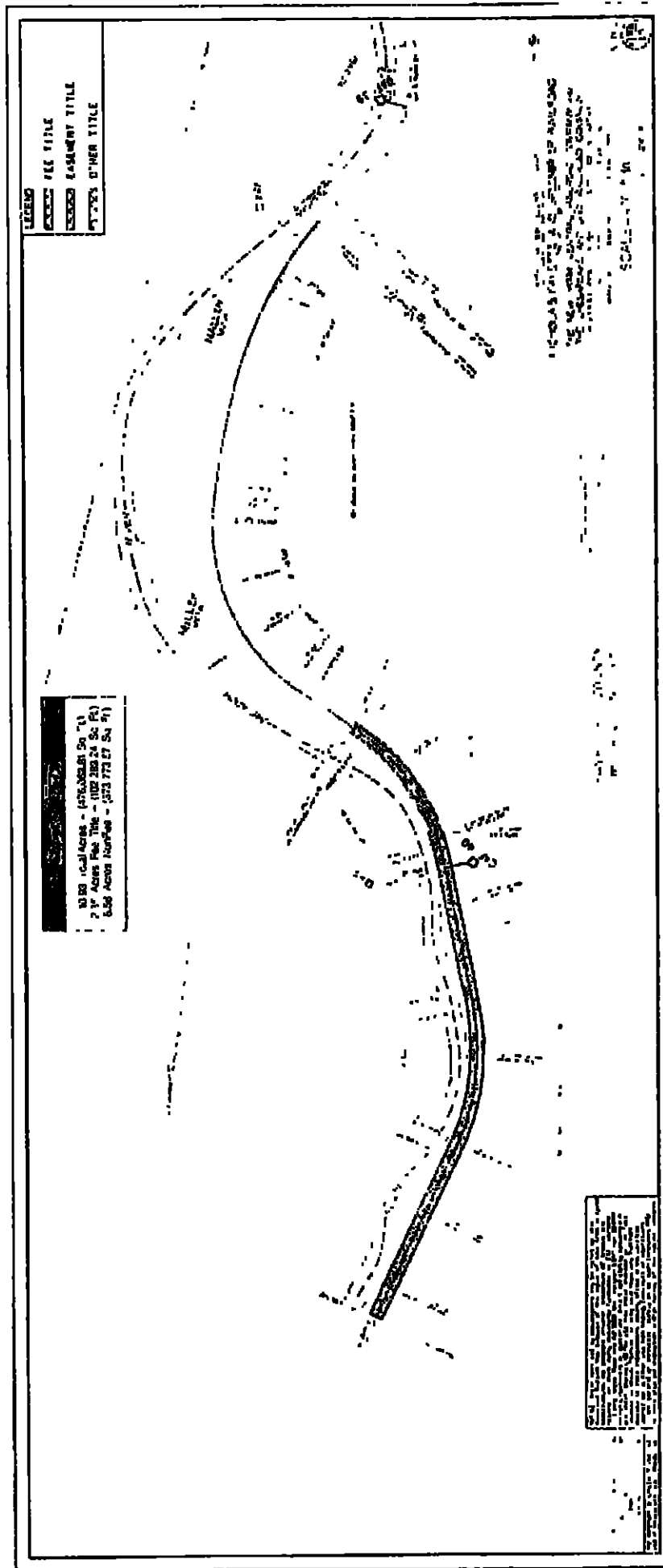


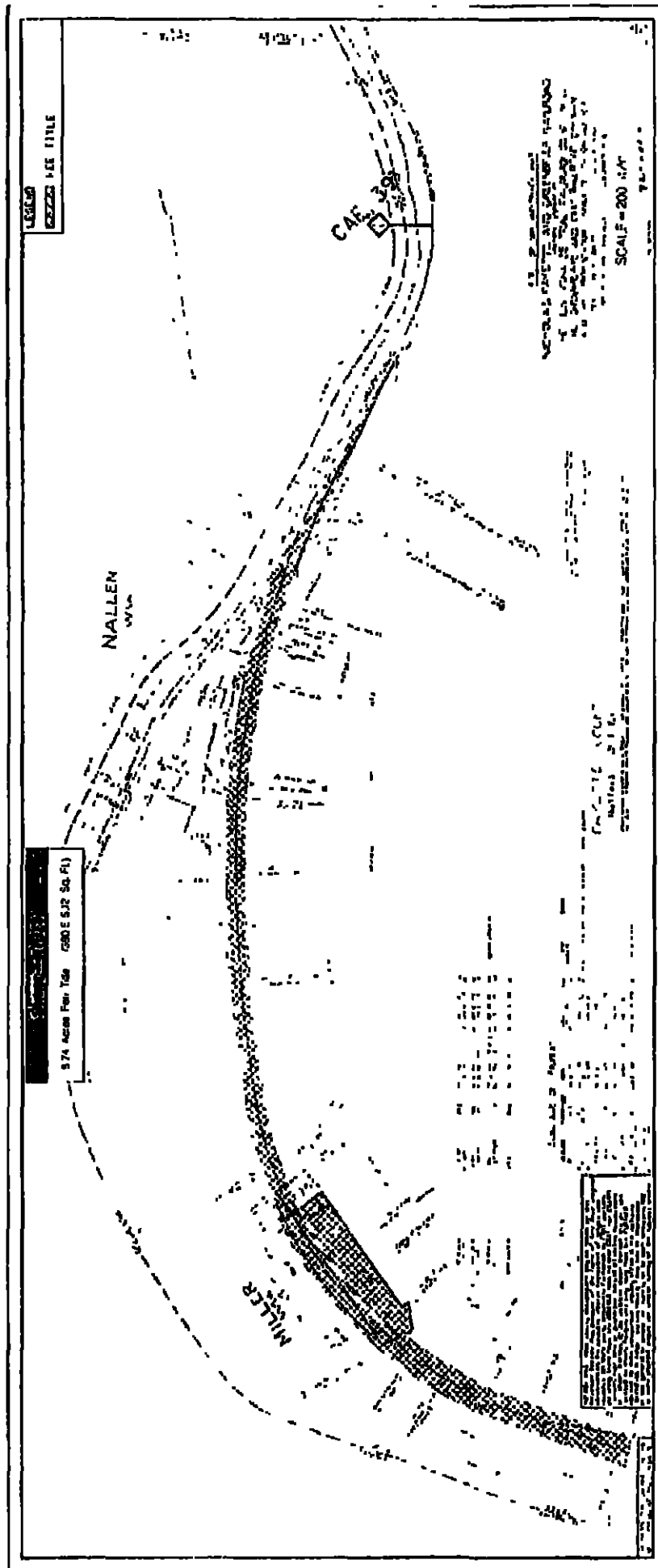




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QUALIFICATIONS

NAME: Charles W (Sandy) Rex III, MAI

BUSINESS ADDRESS: RMI Midwest
1200 Central Avenue, Suite 330
Wilmette, Illinois 60091
Telephone 847-920-9033
Cell 847-507-7212
Fax 847-920-9450
e-mail cwrrexiii@rmi-midwest.com

PROFESSIONAL ORGANIZATIONS: Member of the Appraisal Institute,
MAI designation, Certificate No 6853

EXPERIENCE: Partner & co-owner of RMI Midwest, 1992-present

Education consultant, Appraisal Institute, 1992-1993

President of Rex-McGill, Inc 1987-1992

President of Pinel, Rex & Carpenter, Inc . 1986 to 1987

Appraiser with "Rex-McGill," beginning in 1971

Specializing in the valuation and analysis of corridors and other railroad properties since 1995

Primary assignments also include the valuation of large land tracts (including development land, agricultural properties, timberlands, multi-use developments, and environmentally sensitive lands) and partial interests

Valuing partnership interests, conservation easements, lease fee interests, leasehold interests, air rights, transferable development rights, joint ventures, as well as fee simple rights

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Clients include government agencies (federal and state), corporations, pension funds, investment bankers, financial institutions, insurance companies nonprofit conservancy groups, attorneys, and individuals

Qualified as an expert witness in the Federal District Courts in Florida and Illinois, US Court of Claims, US Bankruptcy Court, Florida and Illinois Circuit Courts

Approved appraiser for the Florida Department of Environmental Protection

**LICENSES &
CERTIFICATION**

Alabama Certified General Real Property Appraiser
No G00610

Florida Certified General Appraiser, No 0000143

Georgia Certified General Real Property Appraiser,
No 285622

Illinois Certified General Real Estate Appraiser,
No 153-000785

Indiana Certified General Appraiser,
No CG40300403

Massachusetts Certified General Real Estate Appraiser,
No 5601-257042

Michigan Certified General Appraiser, No 1201007606

New Jersey Certified General Appraiser, No 42RG00194200

New York Certified Real Estate General Appraiser,
No 46000039279

Virginia Certified General Appraiser, No 4001-013685

Florida Licensed Real Estate Broker, No BK-0145436

EDUCATION

Virginia Military Institute, Bachelor of Arts in Economics, 1972

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Completed and passed all courses for the MAI designation under the direction of the former American Institute of Real Estate Appraisers (now the Appraisal Institute)

Certified under the Appraisal Institute's voluntary program of continuing education for its designated members. MAIs who meet the minimum standards of this program are awarded periodic educational certification

PROFESSIONAL
TEACHING

Approved Appraisal Institute instructor for the following course and seminars: *Valuation of Conservation Easements, Case Studies in Highest and Best Use, Partial Interest Valuation — Divided, Partial Interest Valuation — Undivided, Subdivision Analysis*

Appraiser continuing education instructor for the Ohio Association of REALTORS (1995) and for the Wisconsin Association of REALTORS (2000) Market Analysis and Highest and Best Use, Transitional Properties

Instructor for Reporting the Results of Forestland Appraisals course, Duke University School of the Environment, 1993, co-instructor for Valuation of Timberlands seminar, Duke University School of the Environment, 1987, panel member at the Fourth Timberland Marketplace Conference, Duke University, 1985

EDUCATIONAL
PROGRAM
DEVELOPMENT

Course co-developer of the Appraisal Institute's Conservation Easement Certificate Program (2007)

Developer of Appraisal Institute seminars: *Partial Interest Valuation — Divided, Partial Interest Valuation — Undivided* (1999), *Highest and Best Applications* (1995), *Subdivision Analysis* revision (1993)

Developer of the Appraisal Institute's Report Writing and Valuation Analysis course (1986) and of AIREA's Real Estate Appraisal Applications state-certification module (1989)

Co-developer of the Appraisal Institute's *Timberland Valuation* seminar (1988)

| | |
|----------------------|---|
| PRESENTATIONS | <p>Conservation easement valuation at the Land Trust Alliance, Madison, Wisconsin, conference, October 2005</p> <p>"Corridors and Rights-of-Way Valuation & Policy," sponsored by The Centre for Advanced Property Economics and International Right of Way Association, 2002. "Linear Rights of Way Federal Agency Rent Schedules Reforged " sponsored by the Appraisal Institute for the US Bureau of Land Management and US Forest Service, 2001</p> <p>Southwest Florida Land Trust's conservation easement seminar, 1997, Coastal Georgia Land Trust, Inc 's conservation easement seminar, 1994, Red Hills Conservation Association's Conservation Easements and Estate Planning program, 1993</p> |
| PROFESSIONAL SERVICE | <p>Member, <i>Appraisal Journal</i> Review Panel, 2006 – present</p> <p>Member, Region III Nominating Committee, Appraisal Institute, 2001</p> <p>Chair, Education Committee, Chicago Chapter of the Appraisal Institute 1997-2000</p> <p>Member, General Appraiser Board Education Committee and Body of Knowledge Committee, Appraisal Institute, 1994</p> <p>Vice President and President-elect, 1991, Greater Florida Chapter of the Appraisal Institute, Chair, Education Committee, AIREA Florida Chapter 2, 1988-91</p> <p>Coordinator, Level II Curriculum Development, 1990-1991, Member, Division of Curriculum, Appraisal Institute, 1985-1991, Chair, Development Subcommittee, Appraisal Institute. 1989-1991, Appraisal Institute</p> |
| RECOGNITIONS | <p>Chicago Chapter of the Appraisal Institute's Distinguished Service Award, 1999</p> <p>Appraisal Institute's George L. Schmutz Award in recognition of contributions to the advancement of appraisal knowledge, 1991</p> |

ESTIMATED NET TRACK SALVAGE VALUE

Description Southern Region, Huntington-East Division, Sewell Valley Subdivision
Milepost CAF 27 (near Rainelle, WV) to EOT at Milepost CAF 43 7 (near Nallen, WV) - apx 16 7 miles

| QUANTITY | DESCRIPTION OF ITEM | UNIT PRICE | TOTAL COST |
|-------------|-------------------------------------|---------------|---------------------|
| | Salvage: | | |
| | TF | | |
| 44 910 Ea | Crossties - Landscape | 2 00 | 89,819 46 |
| 52 9 Ton | 132# CW Rail - Scrap | 1,348 600 00 | 31,740 00 |
| 1,060 0 Ton | 100# Jtd Rail - Scrap | 30,972 600 00 | 636,000 00 |
| 766 3 Ton | 105# Jtd Rail - Scrap | 24,521 600 00 | 459,780 00 |
| 1,207 9 Ton | 131# Jtd Rail - Scrap | 30,981 600 00 | 724,740 00 |
| 31 3 Ton | 132# Jtd Rail - Scrap | 797 600 00 | 18,780 00 |
| 123 8 Ton | 100# Jtd Rail - Scrap (Siding) | 4,160 600 00 | 74,280 00 |
| 12 0 Ton | Turnouts, various sizes (2) - Scrap | 600 00 | 7,200 00 |
| 532 6 Ton | Tieplates - Scrap | 855 00 | 455,384 89 |
| 24 3 Ton | Joint Bars - Scrap | 855 00 | 20,776 50 |
| 73 8 Ton | Misc OTM - Scrap | 855 00 | 63,105 06 |
| | SUB TOTAL | | 2,581,605.90 |
| | Less: Cost to Remove | | |
| 3,884 9 Ton | Rail & OTM Removal | 50 00 | 194,246 05 |
| 576 SF | Restore 3 Public paved crossings | 6 50 | 3,744 00 |
| 7,974 Ea | Disposal of Scrap Ties | 2 50 | 19,934 80 |
| | SUB TOTAL | | 217,924.85 |
| | Estimated Net Salvage Value | TOTAL | 2,363,681.05 |

Assumptions Cost to remove Bridges would approximate salvage proceeds, resulting in no impact on NSV
Cost to remove Highway Crossing Signals would approximate salvage proceeds, resulting in no impact on NSV
All rail is costed at scrap rate, although a significant portion of the rail is considered to be of relay quality and is wanted by CSXT's Engineering department for use elsewhere on the system
Unit price for scrap rail is based on most recently available data for American Metal Market (AMM) - Pittsburgh No 1 RR Heavy Met (August 1, 2008 => \$600/ton)
Unit price for all other scrap metal is based on most recently available data for American Metal Market (AMM) - Pittsburgh Other Track Material (August 1, 2008 => \$855/ton)
Misc OTM - Scrap is quantified at 80% of calculated weight, to allow for recovery reductions
For scrap purposes, "tons" are measured as gross tons (2240 lbs)